

Licensing Service Transformation in DKI Jakarta Province

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Abstract—The transformation of licensing services is part of the transformation of public services, licensing holds important things in development from planning, implementation, supervision to evaluation so that sustainable development can occur in various sectors. On the other hand licensing can also be a source of regional income derived from certain licensing fees, therefore the transformation of licensing services to the community carried out in DKI Jakarta through the transformation of the DKI Jakarta Provincial One Stop Service and Investment Services is expected to increase community satisfaction while making the community no longer objected to paying levies imposed on these permits. This research is part of qualitative research with a descriptive approach that aims to describe how the transformation of licensing services in DKI Jakarta Province is carried out. The results of the research are the transformation of licensing services carried out by transforming the Jakarta One Stop Integrated Service Office through changes to the organizational structure, changes in Human Resources and use of technology, and various innovations to improve licensing services in DKI Jakarta Province.

Keywords—licensing service; transformation of licensing service; organization transformation

I. INTRODUCTION

Quality public performance sectors can improve the level. One of the targets of Indonesian bureaucratic reforms listed in the grand design of bureaucratic reform (Republic of Indonesia Presidential Regulation No. 81 of 2010 concerning the Grand Design of 2010-2025 Bureaucratic Reform) is the realization of an increase in the quality of public services, which also means areas that need to be changed in implementing bureaucratic reform in Indonesia. Prasojo defines public services as all public goods and services that are regulated and provided by the government for their citizens [1]. The terminology of public services can be equated with the terminology of government services because public services are closely related to the existence of the government. Sinambela et al. interpreted public services as fulfilling the desires and needs of the people organized by the state [2]. Public services are carried out in order to improve the welfare of the community, therefore viewed from the government side, the government must provide quality services or better known as excellent service that is able to encourage and improve the economy.

Licensing services are a form of public service. Licensing is an instrument of government policy that is used to regulate activities that have broad impact on the public interest and may cause disruption to the public interest. Ogus states that licensing is an instrument of government control of the occurrence of negative externalities that may be generated from an activity (social or economic), licensing can also be used to allocate public goods fairly and efficiently, preventing the occurrence of information synchronization, as well as legal protection for licensing owners as organizers of activities [3]. Activities that require licensing have the potential to cause disruption to public order. Therefore, these activities must be under government control, yet licensing requires clear rationality and must be contained in government policies that are used as guidelines in issuing permits.

Licensing can also be a source of regional income, because local governments may withdraw levies from certain licenses relating to payments for certain licensing services by local governments to individuals or entities intended to regulate and supervise the use of space, use of natural resources, goods, infrastructure, facilities, or certain facilities to protect the public interest and preserve the environment. Determination of certain licensing levy rates is carried out by setting the right amount that can cover part or all of the costs incurred to carry out the licensing service concerned.

In the past, the DKI Jakarta Provincial Government had a variety of complicated problems in licensing services, such as complicated procedures that took a long time and were not transparent, including in terms of the cost of obtaining certain types of permits. Seeing various licensing problems that occurred in Jakarta, Jokowi, who was still governor of DKI Jakarta at that time, had the idea of creating public services that were easily accessible to the community by transforming licensing services through the creation of a special agency capable of serving the required non-licensing and licensing DKI Jakarta residents are no longer complicated, fast, cheap, and on time. The idea of Jokowi who later became the number 1 person in Indonesia, was realized by his successor governor, Basuki Tjahaja Purnama (Ahok) through the establishment of the One Stop Integrated Service Agency (BPTSP) which was officially launched in January 2015, through the formation of BPTSP Licensing in DKI Jakarta Province begins. On January 2, 2017, DKI Jakarta BPTSP changed to the DKI Jakarta One-

Stop Service and Capital Services (DPMPTSP), with the merging of the Investment Board (BPM) and the One Stop Integrated Service Agency (BPTSP).

Since its inception in 2015, many achievements have been made by the DKI Jakarta Provincial DPMPTSP which were rewarded with various awards from various parties including the High Compliance Predicate (Green Zone) on Public Service Standards in accordance with Law No. 25 of 2009 concerning Public Services from the Indonesian Ombudsman in December 2017, the excellent category of public service provider Role from the Ministry of PAN & RB in January 2018, award for the highest investment realization in Indonesia in 2018 from the Indonesian Investment Coordinating Board in February 2018, Public Services of the Jabodetabek 2018 in May 2018 from Markplus, the third Best Province One-Stop Integrated Service Provider (PTSP) in 2018 from RI BKPM in July 2018, and several other awards. Various awards obtained by the DKI Jakarta Province DPMPTSP are the result of the transformation of licensing services in DKI Jakarta, this makes the authors interested in examining how the transformation of licensing services is carried out in the DKI Jakarta province.

There are several previous studies that took the same object of research, namely licensing services in DKI Jakarta. Research by Fitria Andalus Handayani, et al entitled "Capacity Building as a Strategy to Improve the Quality of Licensing Services (Case in DKI Jakarta One Stop Services Agency (BPTSP))," this study used a qualitative method through a post-positivism approach which concluded that capacity building plays an important role in improving the quality of licensing services in the DKI Jakarta BPTSP, where leadership factors are the most dominant factor in the strategy to improve service quality in addition to other factors namely joint commitment, regulatory reform, institutional reform and the application of urgent conditions to change in accordance with 8 stages of community change to create a variety of innovations to improve the quality of service [4]. Other research was conducted by Hasstrianyah with the object of research on the public service revolution in DKI Jakarta, using qualitative methods with the post-positivism approach, examines the implementation of e-government in licensing services in DKI Jakarta through the application of 5 Holmes principles, with the results of research that BPTSP has implemented a fairly good online system in licensing services but there are still many shortcomings such as not all types of licensing can be requested online, people's reluctance to use the online licensing system and the lack of ready facilities and infrastructure including BPTSP's Human Resources to implement an online licensing system [5]. The research outlined in this paper will use the same method, namely qualitative, but with more general research objects from the two previous studies, namely the transformation of overall licensing services in DKI Jakarta through the transformation of Investment Services and One-Stop Integrated Services, not just focusing in one section such as the implementation of e-government or a strategy to improve the quality of licensing services in DKI Jakarta.

II. RESEARCH METHODS

This research is a qualitative research with a descriptive approach to provide a clearer and deeper picture of a

phenomenon. The research has the purpose of exploring or describing how the transformation of licensing services carried out through the transformation of the DKI Jakarta Provincial One-Stop Investment Service and Integrated Services is carried out.

The results of this study are expected to complement research related with efforts to improve the quality of public services in this case the transformation of licensing services where other researchers can make any research with similar objects through different ideographic retrieval. The time dimension of this study is limited to the type of cross-section where data is collected for research only at a certain time period, or only once. Data collection was carried out through literature studies, interviews and direct observation on research objects, namely the Jakarta One-Stop Investment and One-Stop Service Office (DPMPTSP). The resulting data is then managed and analyzed to get conclusions or research results.

III. RESULTS AND DISCUSSION

The transformation of licensing services is carried out by DKI Jakarta through the transformation of the licensing service provider organization, The One Stop Investment and Integrated Services of DKI Jakarta Province (DPMPTSP). The One Stop Investment and Integrated Services Office has a unique position. As a Regional Work Unit that provides public services, especially licensing services, DPMPTSP also has the right and obligation to withdraw fees from licensing services according to the amount specified in the DKI Jakarta Provincial Regulation No. 1 of 2015 concerning Amendment to Regional Regulation No. 3 of 2012 about Regional Retribution. When viewed from the DKI Jakarta Provincial DPMPTSP duties, the improvement of licensing services at DPMPTSP as well as one of the efforts to increase regional income either directly in the form of certain licensing fees or indirectly through taxes as a result of increased investment due to ease of business (EODB) in DKI Jakarta province.

Licensing has two unique sides when viewed from the funds or income owned by the local government, where licensing is a public service that requires costs to be carried out, but on the other hand licensing also provides income for local governments that come from levies obtained by local governments as compensation for issuing permits. This relationship can be seen in the picture below:

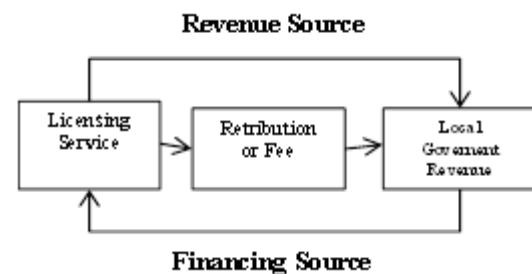


Fig. 1. Connection between licensing service and local government revenue.

Licensing services have a very important role in development, licensing services can be used as a tool to generate financing for development in an area. Excellent

licensing services, especially in Ease of Doing Business (EODB) related to the starting business, can also increase investment in an area so that sustainable development can occur and the welfare of the people of the area will increase. Good licensing services can also increase community satisfaction with public services which, if associated with tax payments, there is hope that the higher the level of community satisfaction, the voluntary compliance to pay taxes will also increase.

Prasojo et al. argued that the simplification of the deregulation and debureaucratization process of licensing services in Indonesia was divided into 3 stages [1], namely:

- Based line, at this stage the direction of the development of licensing reforms is made which is related to debureaucratization and deregulation activities create national licensing policies and permits to be carried out in the regions.
- Middle Line, at this stage there is improvement of licensing services by strengthening the administrative capacity of licensing services, namely institutions, personnel (human), technology and financing.
- Final Line, is the stage of evaluation whether the implementation of licensing service improvement has been on target, cheap and fast licensing process.

Certo and Certo suggested that changes must be made by making changes to three factors that influence organizational effectiveness, these three factors are structure, human and technology [6]. Greenberg and Baron in Wibowo also found the same thing that organizational change can be done by making changes to structure, technology and humans [7]. By using the theory as a knife of analysis, the authors get the results that the DKI Jakarta Province One Stop Service and Investment Services (DPMPTSP) transform licensing services by making changes to three factors within the organization, namely changes in organizational structure, changes in resources human beings, and change by continually updating the technology used in licensing services, while financing factors will not be discussed due to the limited data obtained by researchers.

A. Transformation in Structure

The transformation of licensing services in DKI Jakarta began with the establishment of the DKI Jakarta Provincial One-Stop Service Agency in 2015, before licensing and levies related to licensing were carried out by each related technical agency, for example services related to tourism such as hotel establishment permits, restaurants, the cafe and others were carried out by the Tourism Office. With the launch of BPTSP, the authority of the relevant technical service offices to issue permits was withdrawn to BPTSP. Permits and fees are only issued by BPTSP. In 2017 BPTSP changed to the Investment and Integrated One-Stop Service Office (DPMPTSP) with the merging of the Investment Board into this organization. This merger was carried out to simplify and accelerate the process of issuing permits, especially licensing licenses related to EODB (Ease of Doing Business) indicators as one of the efforts to increase investment both Domestic Investment

(Domestic Investment) and PMA (Foreign Investment). This effort was quite successful, as evidenced by the award from the Indonesian Investment Coordinating Board (BKPM) as the province which succeeded in achieving the highest investment realization in 2017 of Rp 108.6 trillion.

Since BPTSP has been established, 316 service points have been established at the *kelurahan*, sub-district, city and provincial levels. The number of permits delegated and then managed by BPTSP, initially amounted to 514 permits in accordance with the Governor of DKI Jakarta Regulation No. 57 of 2014 concerning Implementation of Regional Regulation Number 12 of 2013 concerning the Implementation of One-Stop Integrated Services, which were then managed and summarized to only 216 permits accordingly with the Regulation of the Governor of DKI Jakarta Province Number 47 of 2017 concerning the Guidelines for One-Stop Integrated Services. Changes in managed permits are carried out through simplification of permit groupings and extension of permit validity.

Related to the public complaints regarding unclear procedures and complicated conventions, complicated requirements, long time to settle licenses and the absence of cost certainty, the DKI Jakarta Provincial DPMPTSP took a few steps to improve licensing services, including the following:

- DPMPTSP seeks to improve permit service procedures by making SOPs (Standard Operating Procedures) for all permits that are under the authority of DMPTSP. The SOP contains procedures for making permits, requirements needed to make permits, length of time for issuing permits up to the cost of making the permit.
- In an effort to improve the efficiency and effectiveness of licensing services, DPMPTSP simplifies licensing requirements by eliminating requirements that are considered to have no legal implications and removing requirements that complicate business development. For some permits that have relevance such as SIUP and TDP can be made simultaneously or simultaneously so that there are no duplication of requirements, the applicant for SIUP and simultaneous TDP no longer have to provide two documents to administer the two permits, simply provide one document in accordance with the requirements stated in the SOP.
- DPMPTSP seeks to accelerate the completion of permits, among others by dividing the licensing authority at 316 service points from the *kelurahan* level to the provincial level, signing permits can also be done online so that the permit completion time is faster, permit products can also be picked up and delivered by service personnel better known as AJIB (Motorized Permit Shuttle), even the latest innovation is Building Construction Permit (IMB) 3.0 where the permit can be completed within 3 hours if it is in accordance with predetermined requirements.
- DPMPTSP conducts services honestly and transparently including transparent with the costs of obtaining permits, the public can see the amount of permit levies

in the SOPs that have been made, the value of levies imposed is in accordance with the values set out in the Regional Regulation of DKI Jakarta No. 1 of 2015 About Regional Retribution.

The general director of the OECD eGovernment Team stated that the transformation of public services not only made public services carried out online but also restructured the organization and made improvements to public administration through the integration of work processes between government institutions related to the public service. To further facilitate and improve the quality of licensing services in DKI Jakarta, on October 12, 2017, the Public Service Mall (MPP) of the DKI Jakarta Province was inaugurated. MPP DKI Jakarta is the result of cooperation between the Provincial Government of DKI Jakarta and the Ministry of Empowerment of State Apparatus and Bureaucratic Reform of the Republic of Indonesia (PAN-RB), several ministries, BUMDs and other BUMNs, have physical facilities like malls equipped with modern information technology systems, MPP is present as a citizen licensing solution Jakarta with a total service of 327 types of licenses, with 269 types of licenses being government-owned services of the DKI Jakarta Province. There are 13 other ministries and institutions that also provide services at the mall Public Service DKI Jakarta includes the Directorate General of Taxes, Regional Office of the National Land Agency of the Province of Jakarta, Directorate General of Immigration, Health BPJS and Employment BPJS, and others.

B. Transformation in Human / Human Resources

One of the community complaints when administering permits was the attitude of service officers who were not friendly, less sympathetic, and even seemed to lack knowledge of the permits they managed, sometimes people were even confused when asking about a permit because they did not get a satisfactory answer about the permit from service personnel. To anticipate this, the DKI Jakarta DPMPTSP has transformed the Human Resources side from front office officers to the top leaders. Since its inception, this licensing service unit in DKI Jakarta has made changes by screening every employee who will be part of this unit, so that the DPMPTSP Human Resource is employees who have high expertise and competence in the licensing field.

Long before BPTSP was launched in 2015, there had been a process of selecting agent change agents in 2014. The people who would become unit leaders at 316 DPMPTSP service points were selected through a series of rigorous job tests. These chosen people must have high integrity, good leadership ability, good service attitude and competence in the field of licensing in order to create excellent service in the field of licensing. Those who do not pass the job selection but have competence in the field of licensing are recruited to become employees of the DKI Jakarta Province DPMPTSP. Until now, DPMPTSP, which has always received full support from the governor, both during the Ahok governor's era and the governor Anies Baswedan, continues to maintain the quality and competence of 316 service point leaders by requiring them to take position competency tests annually to ensure that they still have expertise and competency in accordance with his position, if it turns out they do not pass the competency test,

the position of the unit leader with the results of a bad test will be reduced.

With the value of SETIA ((**Solusi**) Solution, (**Empati**) empathic, (**Tegas**) decisive, (**Inovasi**) innovative, (**Andal**) reliable) adopted by DPMPTSP as a basis for service and vision of Jakarta citizen licensing solutions as outlined in the well-known jargon of DKI Jakarta DPMPTSP namely "Manage your own permission is easy (Urus Izin Sendiri Itu Mudah)," then every employee DPMPTSP starts from the top leadership, employees up to contract officers are required to have good behaviour and high competence in the field of licensing. All licensing service officers are required to look clean and tidy, polite in performing services for example by giving 3S (Smile, Sapa, Salam) to the community even though sometimes the officer must face an unfriendly and overly emotional society when arranging permission. To increase the skills and competency of officers, each employee is included in the prime service training and other licensing training with training materials that are not only related to the administration and technical licensing services but also the attitudes and behaviours required in dealing with licensing communities.

All employees are also required to have high integrity as well as anti-corruption commitments ranging from front office clerks, surveyors, to the unit leaders where unit leaders must sign an integrity pact each year. Corruption is a mistake that is not tolerated at all and is subject to strict sanctions for the entire ranks of the DKI Jakarta Province DPMPTSP. Responsibility for work is a joint responsibility where the unit leader will also be sanctioned if his subordinates make mistakes. DPMPTSP's efforts to always prioritize integrity and anti-corruption commitments in the implementation of its duties proved successful with the award as a Corruption-Free Region of the Republic of Indonesia KPK (Corruption Eradication Commission) and High Compliance Predicate (Green Zone) for Public Service Standards in accordance with Law No. 25 2009 concerning Public Services from the Ombudsman of the Republic of Indonesia.

C. Transformation of Use of Technology

In addition to transforming the organizational structure and Human Resources, in order to improve the efficiency and effectiveness of licensing services, the DKI Jakarta DPMPTSP applies the use of modern technology in implementing licensing services. Equipment such as computers, scanners, printers, electronic queuing machines, telephone lines, internet networks, as well as all other high-tech licensing service support equipment, are available in sufficient and appropriate quantities at each service point. In order to monitor and maintain security, at least 4 (four) CCTVs are installed in each service point, this CCTV has a network that is connected to the provincial level so that the head of DKI Jakarta DPMPTSP or the Governor of DKI Jakarta Province can see the service at each service point via CCTV. The maintenance and repair budget to keep these tools functioning properly is also provided in sufficient quantities.

The process of changing the processing of permits using technology has also been carried out by the DKI Jakarta Province DPMPTSP. Submission and issuance of permits that

were previously done manually are now done online. At the end of 2015 only 8 permits can be applied online, online permit processing is growing so that at this time the permits that can be applied online have reached 90% of the 216 permits that are under the authority of the DKI Jakarta Provincial DPMPTSP, and are expected to be 100 % in the future.

Online licensing services are conducted through the service website **pelayanan. Jakarta.go.id**. In the newsletter, the applicant can see the permit requirements, procedures, completion time and costs to make a permit. Along with the development, currently there is a new website, namely **jakevo.jakarta.go.id**, which is used specifically for processing permits related to EODB (Ease of Doing Business), namely SIUP, TDP and IMB, permits that being requested at jakevo do not require a signature, if the permit indeed fulfils the specified requirements so that the applicant can print his own permit, the authenticity of the permit issued through jakevo is guaranteed by the inclusion of a barcode or QR code in each printed permit, even the license code contained in the printed permission bar issued by jakevo is encrypted by Country Code Body (Badan Sandi Negara), so that the permit will be truly safe and guaranteed authenticity. In the future all online permit applications will be integrated only on one website, which is **jakevo.jakarta.go.id**.

D. Innovation in Licensing Services in DKI Jakarta

Innovation according to Stephen Robins is a new idea that is applied to initiate or improve a product or process and service, innovation is very important in improving the quality of services, in addition to transforming the organizational structure, Human Resources and Technology used, DPMPTSP also focuses on innovation in licensing services, each employee is challenged to innovate to improve the quality of licensing services. Until now, innovation innovations that have been carried out by the DKI Jakarta Provincial DPMPTSP are Motorized Permit Transfers (AJIB) and AJIB Cars or Mobile Service Units, Ask PTSP (Call Centre) 1500164, Online Queues and file tracking, Electronic Signatures, Free Architectural Services , IMB 3.0, PTSP Goes to mall, Integrated Services Around the Thousand Islands, Starting outlets (starting a business center), Jakarta Investment Center (JIC), Jakarta Virtual Consultant for Business (JVC for B).

IV. CONCLUSION

The transformation of licensing services in the DKI Jakarta Province began with the establishment of the One-Stop Integrated Service Agency (BPTSP) which was officially launched on January 2, 2015, to improve service quality in

2017 BPTSP developed into the One Stop Investment Service and Services (DPMPTSP) Investment Board and One-Stop Integrated Service Agency. For community satisfaction and increasing the effectiveness and efficiency of licensing services, and providing excellent service to the community, DPMPTSP implements organizational change and changes management through structural changes, changes in humans and technological changes coupled with various innovations in order to improve the quality of licensing services. Structural changes are carried out through policy making and procedure clarity in which all licensing services are made SOPs that include the requirements for permits, the process of making and completing permits, the length of time for completion and the costs required to make a permit. Changes in Human Resource are carried out by selecting Human Resource who have high integrity, are committed to anti-corruption and have high expertise and competence in conducting licensing services including lead expertise and communication skills. Changes in technology are carried out by providing equipment that has a sufficient amount of modern technology and has good quality, as well as by making the process of making permits that were manually made online.

The DKI Jakarta Provincial Government is quite successful in transforming licensing services, but there are still a number of community complaints related to online licensing services, sometimes service websites are still difficult to access due to the slow internet network, so the authors suggest the DKI Jakarta Provincial Government to increase internet quota and cooperate with network providers who are able to provide network requirements with high capacity and speed to launch online licensing.

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